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Telephony

INTEGRATING VOICE AND DATA COMMUNICATIONS

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BELLSOUTH REVS INTO HIGH GEAR

This RHC hopes to outrace its competitors in the enhanced services market

SUPERCOMM '88 DRAWS NEAR

Special preview coverage of the telecom event of the year begins inside

AN INTERFACE EMERGES

Sonet is the standard fiber optic interface everyone has been waiting for

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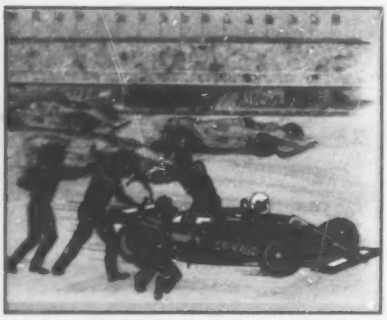

The largest RHC by revenues, the darling of the investment community and the company some say is best positioned to offer enhanced services over its public network, BellSouth Corp. hopes to outrace its competitors. Cover art by AGS&R

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By Michael Warr. The 35th annual ISSCC attracted a horde of technicians to discuss and debate trends in integrated circuit technology, including future applications of ISDN

one or two aggregate links at either T-1 or CEPT rates.

Pirelli Communication Systems added two units to its 3000 Series of IBM-compatible multiplexers. Each supports up to 128 IBM type A compatible devices over a single FO cable. The FC-3128 supports 128 independent coax channels and up to four IBM 3274 controllers, each with 32 ports. The FC-3144 interfaces directly with the four multiplexed ports on each 3174 controller.

Advanced Compression Technology Inc., a new company formed to design and market low bit rate voice networking products, rolled out a speech data multiplexer. The SDM-1 allows one voice channel and one data channel to be combined over the same tie line or analog leased line. It uses a proprietary voice compression algorithm to provide communications grade voice quality at 9.6 kb/s, enabling transmission of this compressed speech with data over a high-speed modem. T

Integrated Telecom maximizes network

Larry Lannon, Editor

Four years ago, when AT&T first tariffed T-1 capacity, some telecommunications entrepreneurs saw the immediate opportunity to sell multiplexers, to harness that capacity for large business users.

Richard Young saw something else.

He read the fine print of the AT&T tariff and realized that if a company was willing to adhere to AT&T's standards, it was possible to allow the network to do some of the necessary de-multiplexing of voice and data traffic.

As a result, the company Young helped found, Integrated Telecom, did not sell a traditional T-1 multiplexer. Instead it developed the Accudacs system, which combines channel bank and digital access and cross-connect technology. Accudacs offers voice and data multiplexing, voice compression, X.25 packet switching and more.

Most importantly, says Young, it enables a customer with multiple business sites to establish a T-1 network without buying a multiplexer for each location. "We focus on network efficiency, not bandwidth efficiency," he says. He views Integrated Telecom as a partner to, not a competitor with, the carrier industry, since the company's products permit users to capitalize on the intelligence inherent in the public network.

At Interface '88, Integrated Telecom was focusing on a new network management package for its Accudacs processors—a system with interfaces to the two current developing systems, IBM's NetView PC and AT&T's Unified Network Management Architecture. The system operates on an IBM PS/2 or AT PC and uses X.25 packet technology as its control channel medium. It provides a networkwide view of the customer's T-1 facility, providing point-to-point route definition, hardware configuration and centralized event reporting.

Integrated Telecom is also focusing its attention overseas, however, where its leadership sees good business opportunities. A key to making his ideas work, Young says, is providing a means to carry T-1 traffic among different carriers, and not just in the U.S.

Richard Young

"The international market is going to be lucrative because there are multinational companies that want a unified network," Young said during a recent early morning meeting at Integrated Telecom. "We give them a means to get across the pond and tie into the domestic network."

Young indicates Integrated Telecom is doing business with several countries overseas. But Mexico is the only country he would identify.

Young's company functions as an OEM, or original equipment manufacturer, for data equipment companies and sells to channel bank manufacturers. It also sells to carriers. It has a foothold in the automatic call distributor market. And Young indicates it sees the PBX market as another major opportunity he hopes to develop.

But the carriers will remain a crucial element in Integrated Telecom's mix.

"Carrier compatibility" is "the real wave of the future" in T-1, Young says. Integrated Telecom is "in total synergy with what the carriers are doing.

"Instead of taking the phone companies on," Young adds, "I want to work with them." T

Correction

Our recent interexchange carrier feature reported net revenues rather than gross revenues for AT&T Communications *(Telephony, March 14, page 22)*.

AT&T-C had gross revenues of $36.4 billion in 1986, based on $16.8 billion in net revenues plus $19.6 billion in access charges paid to telephone operating companies. The company's 1987 gross revenues fell 3.5%, to $35.1 billion, while net revenue rose 4.1%, to $17.5 billion, and access charges fell 10.2%, to $17.6 billion.

Based on the revision, and inclusion of ITT/USTS, total gross revenues for all of the carriers reported in the feature fell 0.2%, from $43.9 billion in 1986 to $43.8 billion in 1987.

Among the top three carriers, market share of gross revenue for AT&T-C fell from 83.1% in 1986 to 80.3% in 1987. MCI's share of gross revenues rose from 8.2% to 9% over the period. US Sprint, including the Telenet subsidiary, increased its market share to 5.9% in 1987 from 4.9% in the previous year. Combined share of total revenues for the top three, however, fell from 96.2% in 1986 to 95.2% in 1987.

Market share of gross revenues for the three carriers in the second tier climbed from 2.3% of 1986 gross revenues to 2.9% in 1987. Allnet's share shifted only slightly, from 1% in 1986 to 0.9% in 1987, while NTN almost doubled its share, climbing from 0.7% to 1.2% over the period. ITT/USTS, excluding its planned acquisition of American Network, had an estimated 0.6% share of 1986 total gross revenues and 0.8% in 1987.

The combined share of total revenues for the other seven carriers reported in our March 14 story rose from 1.5% in 1986 to 1.9% in 1987.—*Marketing Development and Research Director Czatdana Inan.*